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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 24, 2014

James Byars
Red Cliff Mining, Inc.
321 South 100 East
PO Box 576
Emery, Utah 84522

Subject: Conditional Acceptance of Complete Amendment of Notice of Intention to Commence Small Mining Operations, Red Cliff Mining, Inc., H and B Mine, S/019/0063, Grand County, Utah

Dear Mr. Byars:

The Division of Oil, Gas and Mining finds your amended Notice of Intention to Commence Small Mining Operations (NOI) complete. This amendment was received December 13, 2013, with additional information received January 14, 2014. A copy of the amendment stamped "complete" is enclosed with this letter. Approval to mine, however, is conditional on maintenance of adequate reclamation surety. You will be permitted to conduct small mining activities as outlined in the amended NOI once sufficient surety is in place and provided you have approval from all other appropriate agencies.

As discussed in the Division's letter dated December 19, 2013, the reclamation surety for this project needs to be increased from \$10,200.00 to \$12,600.00 for a three-year escalation (amount next evaluated in 2016) or \$13,000.00 for a five-year escalation (amount next evaluated in 2018). Please submit this surety by January 31, 2014, after which the Division will issue final approval.

Please contact the Division's bonding coordinator, Penny Berry, at 801-538-5291 or by e mail at pennyberry@utah.gov if you have questions about submitting the increased surety amount. You may contact Mike Bradley at 801-538-5332 or me at 801-538-5261 if you have other questions about this letter.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB: mpb: eb

Enclosure: Copy of accepted NOI, MR-RC

cc: Jerry Mansfield, SITLA (jmansfield@utah.gov)

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